

# ARIZONA DEPARTMENT OF REVENUE

## MEMORANDUM

**FROM: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS**

### ***NOVEMBER 1999 TAX FACTS***

#### **SUMMARY OF GENERAL FUND REVENUES**

	<u>November 1999</u>	Fiscal Year <u>Total</u>
<b>Individual Income Tax</b>		
Net Collections	\$139,867,710	\$744,534,208
Percent Change	8.9%	3.7%
<b>Corporate Income Tax</b>		
Net Collections	\$192,476	\$151,265,124
Percent Change	N/A	21.7%
<b>Transaction Privilege, Severance &amp; Use Taxes</b>		
Net Collections	\$229,048,968	\$1,130,375,131
Change	9.3%	9.1%
<b>Total Big Three Tax Types</b>		
Net Collections	\$369,109,154	\$2,026,174,463
Percent Change	12.2%	7.9%



# TAX FACTS

## November 1999

### INDIVIDUAL INCOME TAX

#### Individual Income Tax Receipts

	November 1999	November 1998	% Change
Gross Collections	\$7,617,344	\$5,420,108	40.5
Withholding	189,289,342	171,756,740	10.2
Refunds	(25,563,060)	(20,331,486)	25.7
Urban Revenue Sharing	(31,475,916)	(28,377,573)	10.9
<b>Net Collections</b>	<b>\$139,867,710</b>	<b>\$128,467,790</b>	<b>8.9</b>
	Fiscal Year Total (99/00)	Fiscal Year Total (98/99)	% Change
Gross Collections	\$120,926,320	\$112,435,873	7.6
Withholding	864,917,937	814,571,498	6.2
Refunds	(83,930,470)	(67,364,014)	24.6
Urban Revenue Sharing	(157,379,579)	(141,814,458)	11.0
<b>Net Collections</b>	<b>\$744,534,208</b>	<b>\$717,828,899</b>	<b>3.7</b>

#### Federal Retiree Program

The Federal Retiree Project is drawing to a close. Refunds sent out directly as a result of the Federal Retiree Program is \$773 for November and \$8,251 for the fiscal year. The total revised estimated cost of the FRP project is \$162.1 million. The estimate for the final credit payout for the remaining credit holders is \$0.151 million.

#### Federal Employees Retirement Contribution Program

The Federal Employees Retirement Contribution Project is also nearing completion. Refunds issued as a result of the FERC project totaled \$1,119 in November and \$17,263 for the fiscal year. In addition to this amount, \$0 of available credits were used to cover outstanding agency debts. The law firm of Bonn, Lusher, Padden & Wilkins has obtained a temporary restraining order requiring the department to withhold 20% of each claimants refund based on the law firm's claim that they should be entitled to fees from each claimant that benefited from their work. This amount is equal to \$280 for the month of November and \$4,488 for the fiscal year.

#### Individual Income Tax Document Count

In calendar year 1998, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	TOTAL
#	38,237	1,142,300	66,008	102,748	280	38,999	569,223	18,721	1,976,516
%	1.9	57.8	3.3	5.2	0.0	2.0	28.8	0.9	

In calendar year 1999 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	TOTAL
#	38,541	1,316,687	69,047	103,693	80	39,039	335,761	17,261	162,677	2,082,786
%	1.9	63.2	3.3	5.0	0.0	1.9	16.1	0.8	7.8	

The 2,082,786 returns filed through November 1999 compares to 1,969,721 filed through November 1998, an annual increase of 5.7%. This count represents multiple tax years. For tax year 1998 filed in 1999, 1,982,688 returns have been filed, this represents a 4.5% increase from 1997 returns filed in 1998 during the same period of time.

### **Year-Over-Year Comparison of Resident Taxpayers**

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made from taxpayers who have filed for both calendar years to be compared and who have indicated the same marital status on the tax returns for both years. The Department of Revenue has received 1,264,845 returns in calendar year 1999 for tax year 1998 from filers who also have returns on record from calendar year 1997 with the same marital status. On average, these filers experienced a 9.1% growth in FAGI and a 12.3% increase in tax liability. More specifically, 32.5% of these filers experienced a decrease in tax liability; on average a decrease of 22.3% with a corresponding average decrease in FAGI of 39.6%. Filers showing an increase in tax liability totaled 708,949, or 56.1%, with an average FAGI increase of 34.4% and an average tax liability increase of 63.7%.

### **Average Individual Income Tax Refund**

	Average	Number
1999 YTD	\$533.29	1,312,458
1998 YTD	\$500.43	1,251,675
% Change	6.6%	4.9%

### **"New" Filers in Calendar Year 1999**

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 1999 through the end of November. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 179,338 "new" returns have been filed thus far in 1999, representing approximately 222,433 persons, not including dependents. The average Federal Adjusted Gross Income for these 179,338 returns is \$19,762, with an average tax liability of \$327. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 22.4% had a married filing joint filing status, 9.4% claimed a 65 And Over Exemption and 41.1% claimed dependents.

### **Individual Income Tax Estimated Payments**

Beginning in 1990, individuals are required to make estimated payments to Arizona if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. The total estimated payments on the 140ES for tax year 1998 was \$326.1 million, for an average of \$1,689. A total additional \$53.1 million in estimated payments was received as refunds on the 1997 tax returns applied to 1998 estimates, for an average of \$1,774. Estimated payments received through November for tax year 1999 is as follows:

11/99	140ES payment	\$1,368,586	Cumulative	\$183,474,110
11/98	140ES payment	\$1,490,429	Cumulative	\$179,120,248
	Percent change	(8.2%)		2.4%
11/99	Average payment	\$1,569	Cumulative	\$1,243
11/98	Average payment	\$1,283	Cumulative	\$1,312
	Percent change	22.3%		(5.3%)
11/99	applied refund	\$5,822,361	Cumulative	\$54,685,969
11/98	applied refund	\$12,495,265	Cumulative	\$49,993,372
	Percent change	(53.4%)		9.4%
Total 11/99		\$7,190,947	Cumulative	\$238,160,079
Total 11/98		\$13,985,694	Cumulative	\$229,113,620
	Percent change	(48.6%)		3.9%

### **Withholding**

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from April 1998 through June 1999, \$441,478,314 was received for the second quarter of 1998. The latest complete quarter (15 months of information has been compiled) is the third quarter of 1998, which shows a growth rate of 11.3% in withholding payments over the third quarter of 1997. Growth in quarters for which information is still being gathered is as follows:

4 <sup>th</sup> Quarter 1998	10.9%	3 <sup>rd</sup> Quarter 1999	8.2%
1 <sup>st</sup> Quarter 1999	6.7%	4 <sup>th</sup> Quarter 1999	9.0%
2 <sup>nd</sup> Quarter 1999	9.7%		

The comparisons made above were against the same number of months of collections in the previous year. In other words, the fourteenth month of information available for the fourth quarter of 1998 was compared against the fourteenth month of collections for the fourth quarter of 1997. Current choices for withholding are 0%, 10%, 17%, 20%, 22%, 28% or 32% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

### **Property Tax Credits**

Arizona allows a refundable property tax credit if you are age 65 or older or if you received Title 16, SSI payments. Additionally, your household income must be below \$3,751 if you live alone, or \$5,501 if you live with another person, to qualify for this credit. The maximum credit is \$502.

	Number	\$	Average
Calendar Year 1999	17,231	5,290,577	307.04
Calendar Year 1998	18,640	5,579,430	299.33
% Change	(7.6%)	(5.2%)	2.6%

### **Contributions on the Individual Income Tax Return**

Through November 1999 individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	12,269	\$161,361	\$13.15
Child Abuse	13,610	\$191,342	\$14.06
Special Olympics	6,832	\$73,870	\$10.81
Neighbors Helping	4,573	\$41,296	\$9.03
AID to Education	340	\$37,949	\$111.61
Domestic Violence Shelter	10,580	\$144,284	\$13.64
Democratic Party	967	\$14,167	\$14.65
Republican Party	670	\$12,971	\$19.36
Libertarian Party	197	\$3,609	\$18.32
Reform Party	43	\$616	\$14.33

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## **CORPORATE INCOME TAX**

### **Corporate Income Tax Receipts**

	Nov 1999	Nov 1998	% Change
Gross Collections	\$12,041,003	\$12,853,744	(6.3)
Refunds	(\$11,848,527)	(\$21,865,761)	(45.8)
Net Collections	\$192,476	(\$9,012,018)	N/A

	<b>Fiscal Year Total (99/00)</b>	<b>Fiscal Year Total (98/99)</b>	<b>% Change</b>
Gross Collections	\$193,835,533	\$162,813,125	19.1
Refunds	(\$42,570,409)	(\$38,563,779)	10.4
<b>Net Collections</b>	<b>\$151,265,124</b>	<b>\$124,249,346</b>	<b>21.7</b>

### **Corporate Estimated Payments**

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

Nov 1999	\$7,960,009	Calendar Year Total	\$423,724,795
Nov 1998	<u>\$7,699,463</u>	Calendar Year Total	<u>\$368,526,625</u>
% Change	3.4%	% Change	15.0%

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for November 1999 and for the fiscal year.

<b>Size of Payment →</b>	<b>Less than \$50,000</b>	<b>\$50,000 up to \$100,000</b>	<b>\$100,000 up to \$500,000</b>	<b>\$500,000 up to \$1,000,000</b>	<b>\$1,000,000 up to \$10,000,000</b>	<b>\$10,000,000 and more</b>	<b>Total</b>	<b>% chg</b>
Nov 1999	72	7	10	0	1	0	90	(7.2)
Nov 1998	77	8	10	1	1	0	97	
<b>CY 1999</b>	2,550	338	365	46	44	3	3,346	5.8
<b>CY 1998</b>	2,354	330	378	64	34	2	3,162	

### **Corporate Refunds**

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 99/00 by corporate fiscal year. For example, in FY 98/99, 3.8% of the refund dollars paid were for corporate fiscal years ending in 1994 or before. The percentages are for refunds paid through the fiscal year.

<b>Corporate Fiscal Year-End:</b>	<b>94 &amp; Prior</b>	<b>95</b>	<b>96</b>	<b>97</b>	<b>98</b>	<b>99</b>
FY 98/99	3.8%	2.1%	3.9%	66.5%	23.1%	0.6%

<b>Corporate Fiscal Year-End:</b>	<b>95 &amp; Prior</b>	<b>96</b>	<b>97</b>	<b>98</b>	<b>99</b>	<b>00</b>
FY 99/00	4.4%	0.4%	1.6%	88.6%	5.0%	0.0%

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table present information on refunds applied as estimated payments in the most recent month and for the calendar year.

Nov 1999	\$48,017,840	Calendar Year Total	\$117,425,388
Nov 1998	<u>\$53,089,881</u>	Calendar Year Total	<u>\$112,789,492</u>
% Change	(9.6%)	% Change	4.1%

### **Corporate Income Tax Document Count**

The Arizona Department of Revenue received 91,679 corporate returns showing a fiscal year-end of 1997. The type of return received is indicated below:

	<b>120X (amended)</b>	<b>120 (regular)</b>	<b>120S (S corp)</b>	<b>99T (exempt org.)</b>
#	464	51,681	39,178	356

%	0.5	56.4	42.7	0.4
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Through November 1999, 94,496 documents have been received for a fiscal year-end of 1998, distributed as follows:

	<u>120 X (amended)</u>	<u>120 (regular)</u>	<u>120S (S corp)</u>	<u>99T (exempt org.)</u>
#	320	51,565	42,288	323
%	0.3	54.6	44.8	0.3

The figures shown above for the 1998 returns are most meaningful when compared to 1997 returns received during the same period of time in the previous year. Through November 1998, the Arizona Department of Revenue received 90,752 documents with a fiscal year-end of 1997. This represents a 4.1% increase in corporate returns received at this point of time in the calendar year.

### **Urban Revenue Sharing Returned to Cities/Towns**

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed is 15.8% of net income tax collections two years earlier. For example, the money being distributed in Fiscal Year 1999/2000 is based on net income tax collections in Fiscal Year 1997/1998. Amounts returned for November 1999 are shown on Table 2, at the end of this report.

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## **TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES**

### **Transaction Privilege, Severance and Use Tax Receipts**

The Arizona transaction privilege and severance tax consists of many categories of tax. These categories include retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non shared. In contrast, contracting is 20% distribution base and 80% non shared. Mining severance is 80% distribution base and 20% non shared. Use tax is 100% non shared.

At the close of each month, the computer aggregates transaction privilege and severance tax collections by category and calculates total distribution base and non shared portions. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	<u>November 1999</u>	<u>November 1998</u>	<u>% change</u>
Distribution Base	\$98,170,139	\$88,152,757	11.4
Non shared	180,497,692	166,202,424	8.6
Use Tax	14,692,395	12,864,538	14.2
Other Revenues	35,878,002	26,192,300	37.0
<b>Total Collections</b>	<b>\$329,238,229</b>	<b>\$293,412,019</b>	<b>12.2</b>

	<u>Fiscal Year Total (99/00)</u>	<u>Fiscal Year Total (98/99)</u>	<u>% change</u>
Distribution Base	\$471,075,690	\$432,472,544	8.9
Non shared	895,714,816	826,380,944	8.4
Use Tax	72,186,309	60,562,602	19.2
Other Revenues	175,149,443	129,562,308	35.2
<b>Total Collections</b>	<b>\$1,614,126,257</b>	<b>\$1,448,978,398</b>	<b>11.4</b>

### **Distribution of Transaction Privilege, Severance and Use Tax Receipts**

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund. All of the non shared portion and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non shared portion of transaction privilege and severance tax, use tax and 34.49% of the distribution base collections. "Other" revenues are returned to the administering authority.

	<b>November 1999</b>	<b>November 1998</b>	<b>% change</b>
Retained by State	\$229,048,968	\$209,470,848	9.3
Returned to Counties	39,768,724	35,710,682	11.4
Returned to Cities	24,542,535	22,038,189	11.4
Other	35,878,002	26,192,300	37.0
<b>Total Collections</b>	<b>\$329,238,229</b>	<b>\$293,412,017</b>	<b>12.2</b>

	<b>Fiscal Year Total (99/00)</b>	<b>Fiscal Year Total (98/99)</b>	<b>% change</b>
Retained by State	\$1,130,375,131	\$1,036,103,326	9.1
Returned to Counties	190,832,762	17,5194,628	8.9
Returned to Cities	117,768,922	10,8118,136	8.9
Other	175,149,443	12,9562,308	35.2
<b>Total Collections</b>	<b>\$1,614,126,257</b>	<b>\$144,8978,398</b>	<b>11.4</b>

### **Transaction Privilege and Severance Tax Collections By Class**

	<b>Tax Rate</b>	<b>November 1999</b>	<b>% Chg</b>	<b>Fiscal Year Total</b>	<b>% Chg</b>
Transporting/Towing	5%	\$30,102	(92.3)	\$809,727	(47.0)
Non-Metal Mining/Oil & Gas	3.125%	643,340	12.3	2,957,998	6.2
Utilities	5%	20,810,663	(12.1)	124,217,269	0.3
Communications	5%	9,716,039	14.7	48,385,970	14.8
Railroads/Aircraft	5%	103,114	(41.7)	603,057	(31.0)
Private Car/Pipelines	5%	18,840	(90.8)	12,868	(97.2)
Publishing	5%	455,591	(2.3)	2,341,474	(4.4)
Printing	5%	1,951,090	21.9	8,797,689	5.7
Restaurants/Bars	5%	24,677,786	10.4	114,621,218	8.9
Amusements	5%	3,403,698	1.2	14,310,258	15.9
Commercial Lease	0%	7,124,289	N/A	7,146,262	316.1
Rental of Personal Property	5%	13,795,442	8.4	67,891,727	4.0
Contracting	3.75% - 5%	45,544,356	15.5	227,501,148	9.8
Feed Wholesale	Repealed	65	N/A	(47)	N/A
Retail	5%	140,342,101	6.8	706,550,590	9.7
Advertising	0	0	0.0	0	0.0
Mining Severance	2.5%	1,392,576	(12.8)	7,357,788	(13.1)
Timber Severance	\$2.13/\$1.51 per 1000 board ft	902	(81.9)	4,336	(81.8)
Hotel/Motel	5.5%	8,621,634	6.1	32,047,483	5.4
Membership Camping	5%	4,407	(14.9)	14,139	(12.1)
Use/Use Inventory	5%	14,353,584	11.6	71,848,014	18.6
Rental Occupancy Tax	3%	16,155	(6.8)	32,529	(27.8)
Jet Fuel Tax	\$.0305/\$.0105 gal	351,444	(6.9)	1,524,776	2.2
Telecommunications Devices:	1.1				
Telecom. Fund for the Deaf	----	402,173	(7.1)	2,043,170	(4.8)
Poison Control Fund	----	148,749	(7.1)	755,693	(4.8)
911 Excise	1.25%	633,811	(5.8)	3,207,802	(3.9)
911 Wireless Service	\$0.10 monthly per activated service	262,091	209.5	836,571	91.7
<b>Total</b>		<b>\$294,804,042</b>	<b>9.8</b>	<b>\$1,445,819,508</b>	<b>9.0</b>



The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the Department.

### **Transaction Privilege and Severance Tax Taxable Sales By Class<sup>1</sup>**

	<b>November 1999</b>	<b>% Chg</b>	<b>Fiscal Year Total</b>	<b>% Chg</b>
Transporting/Towing	\$602,047	(92.3)	\$16,194,542	(47.0)
Non-Metal Mining/Oil & Gas	20,586,872	12.3	94,655,934	6.2
Utilities	416,213,263	(12.1)	2,484,345,381	0.3
Communications	194,320,785	14.7	967,719,393	14.8
Railroads/Aircraft	2,062,271	(41.7)	12,061,141	(31.0)
Private Car/Pipelines	376,797	(90.8)	257,365	(97.2)
Publishing	9,111,821	(2.3)	46,829,478	(4.4)
Printing	39,021,813	21.9	175,953,776	5.7
Restaurants/Bars	493,555,714	10.4	2,292,431,403	8.9
Amusements	68,073,967	1.2	286,205,163	15.9
Commercial Lease	315,985,207	N/A	309,243,123	1,241.7
Rental of Personal Property	275,908,844	8.4	1,357,834,542	4.0
Contracting	910,887,124	15.6	4,550,024,463	10.0
Feed Wholesale	13,947	N/A	(10,075)	N/A
Retail	2806,842,419	6.8	14,131,016,110	9.7
Advertising	0	0.0	0	0.0
Mining Severance	55,703,030	(12.8)	294,311,519	(13.1)
Timber Severance	0	0.0	0	0.0
Hotel/Motel	156,756,980	6.2	582,681,503	5.4
Membership Camping	88,136	(14.9)	282,774	(12.1)
Use/Use Inventory	286,819,021	11.6	1,433,360,767	18.5
Rental Occupancy Tax	583,501	1.0	1,129,305	(24.8)
<b>Total</b>	<b>\$6,053,513,559</b>	<b>13.3</b>	<b>\$29,036,527,608</b>	<b>9.6</b>

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table, are not elements of calculated taxable income and therefore, are not included in the above table. The Use/Use Inventory category shown above does not include jet fuel use tax. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. A comparison can be made of gallons of jet fuel on which Arizona jet fuel tax or jet fuel use tax was paid. In November 1999, 11,936,931 gallons of jet fuel were taxed, a (7.8%) decrease from the 12,942,414 reported for November 1998. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

### **Accounting Credit**

Effective to taxable periods beginning from and after July 1, 1995, a credit equal to one percent of the amount of tax due, up to \$10,000 per calendar year, is allowed to businesses for expenses incurred during the accounting and reporting of Transaction Privilege Tax. The amount of accounting credits claimed in November 1999 was \$1,117,014 an 11.4% increase from the \$1,002,465 claimed in November 1998. Accounting credits claimed-to-date in FY 99/00 equals \$5,897,883 a 13.8% increase from the \$5,183,772 claimed during the same period in FY 98/99.

<sup>1</sup>These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

### **Taxable Sales by SIC Code Range**

The taxable sales by SIC (Standard Industrial Classification) Code ranges are an indicator of business occurring for that type of retail sale. Certain limitations must be understood when using this information.

The Department of Revenue assigns a SIC code to a business based on its primary type of business activity. A grocery store would be assigned a SIC code of 5411. A business that deals primarily with dairy products would have a SIC code of 5451. A problem arises with businesses which derive revenue from multiple business activities. For example, a store like Cosco might be considered both a grocery store or a department store; however, all revenue would be reported under only one of the two possible codes. In summary, an accurate description of what this information represents would be: "These figures represent taxable retail sales for those businesses which have a primary SIC code falling within one designated range."

If the taxable sales for these ranges were added together, the total would not equal retail taxable sales. This is again due to the primary SIC code assignment. There are businesses making retail sales which do not have a primary retail SIC code.

<b><u>SIC Code</u></b> <b><u>Range</u></b>	<b><u>Description</u></b>	<b><u>November 1999</u></b>	<b><u>November 1998</u></b>	<b><u>% Chg</u></b>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$88,355,480	\$159,767,098	(44.7)
5311-5399	general merchandise stores	274,633,056	266,969,711	2.9
5411-5499	food stores (no food sales)	245,331,767	231,193,438	6.1
5511-5521	motor vehicle dealers	513,986,547	454,573,102	13.1
5531-5599	misc. automotive, motorcycle & boat stores	146,924,241	138,079,705	6.4
5611-5699	apparel & accessory stores	152,422,107	157,409,777	(3.2)
5712-5733	furniture, home furnishings & equipment stores	160,458,120	148,300,973	8.2
5912-5949	misc. retail stores	206,274,857	181,122,790	13.9
	<b>TOTAL</b>	<b>\$2,806,842,019</b>	<b>\$2,627,715,971</b>	<b>6.8</b>

<b><u>SIC Code</u></b> <b><u>Range</u></b>	<b><u>Description</u></b>	<b><u>FY 2000</u></b>	<b><u>FY 1999</u></b>	<b><u>% Chg</u></b>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$717,492,289	\$731,403,905	(1.9)
5311-5399	general merchandise stores	1,348,456,987	1,314,639,029	2.6
5411-5499	food stores (no food sales)	1,170,241,685	1,096,352,896	6.7
5511-5521	motor vehicle dealers	2,610,677,303	2,227,356,654	17.2
5531-5599	misc. automotive, motorcycle & boat stores	763,501,230	712,655,903	7.1
5611-5699	apparel & accessory stores	802,889,648	758,836,911	5.8
5712-5733	furniture, home furnishings & equipment stores	796,976,497	706,654,523	12.8
5912-5949	misc. retail stores	952,660,754	875,514,176	8.8
	<b>TOTAL</b>	<b>\$14,131,011,810</b>	<b>\$12,880,642,282</b>	<b>9.7</b>

### **Transaction Privilege and Severance Tax Returned to Counties**

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for November 1999 is shown in the County Share column.

	<b>Dist. Base Collections</b>	<b>County Share</b>	<b>% of Total</b>	<b>FYTD County Share</b>	<b>% Chg</b>
Apache	\$4,181,427	\$1,098,222	2.8	\$2,345,106	61.6
Cochise	1,303,874	750,162	1.9	3,659,563	10.1
Coconino	2,772,982	1,156,532	2.9	5,944,829	6.7
Gila	715,916	336,782	0.8	1,681,198	(2.8)
Graham	319,514	194,121	0.5	959,681	4.2
Greenlee	692,310	260,879	0.7	1,335,093	(3.9)
La Paz	200,595	113,998	0.3	576,412	3.2
Maricopa	63,882,704	24,732,905	62.2	119,409,016	9.1
Mohave	2,085,454	1,025,159	2.6	5,203,064	6.2
Navajo	1,430,636	646,001	1.6	3,250,812	8.2
Pima	13,558,331	6,003,459	15.1	29,855,704	7.8
Pinal	1,778,156	962,225	2.4	4,692,346	7.9
Santa Cruz	520,877	253,352	0.6	1,233,941	5.9
Yavapai	2,785,122	1,319,913	3.3	6,342,274	10.9
Yuma	1,942,241	915,014	2.3	4,343,724	8.3
<b>Total</b>	<b>\$98,170,139</b>	<b>\$39,768,724</b>		<b>\$190,832,762</b>	<b>8.9%</b>

### **Transaction Privilege and Severance Tax Returned to Cities/Towns**

The portion of transaction privilege and severance tax returned to each incorporated city or town for November 1999 is shown on Table 3, attached to this report.

### **County Tax Collections**

The following county-imposed tax collections were received by the Department of Revenue during November 1999 and returned to the counties. County taxes in all but Coconino County are imposed at 10% of the state transaction privilege tax rate. Coconino's Excise Tax is 10% of the state rate, and its Jail Tax is 6% of the state rate. The stadium tax was imposed at 5% of the state rate. This rate completed its run in November 1997. Collections received now should be for prior periods. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	<b>Road Tax</b>	<b>Excise Tax</b>	<b>Jail Tax</b>	<b>Rental Car Surcharge</b>	<b>Stadium Tax</b>	<b>RV Surcharge</b>	<b>Hospital Tax</b>
Apache		\$605,753					
Cochise		\$383,933					
Coconino		\$771,691	\$463,230				
Gila	\$211,084	\$207,736					\$1
Graham		\$96,211					
Greenlee		\$47,741					
La Paz		\$58,822	\$58,879				
Maricopa	\$19,858,678		\$7,313,633	\$493,152	\$11,356		
Navajo		\$403,066					
Pima				\$124,882		\$17,514	
Pinal	\$559,440	\$530,997					
Santa Cruz		\$151,366					
Yavapai		\$783,677					
Yuma		\$564,880	\$564,208				

## OTHER TAXES

### Luxury Taxes

The following revenues were received from luxury taxes in November 1999. The table compares the receipts to November 1998 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	<b>November 1999</b>	<b>November 1998</b>	<b>% Change</b>
Spirituos	\$1,806,608	\$1,323,557	36.5
Vinous	1,076,528	414,590	159.7
Malt	1,718,590	1,697,276	1.3
Cigarette	12,589,212	13,531,038	(7.0)
Other Tobacco	291,896	323,025	(9.6)
Tobacco Licenses	125	25	400.0
<b>Total</b>	<b>\$17,482,959</b>	<b>\$17,289,511</b>	<b>1.1</b>

	<b>Fiscal Year Total (99/00)</b>	<b>Fiscal Year Total (98/99)</b>	<b>% Change</b>
Spirituos	\$7,540,957	\$6,894,755	9.4
Vinous	3,367,466	2,585,672	30.2
Malt	8,704,858	8,539,008	1.9
Cigarette*	65,114,538	69,980,848	(7.0)
Other Tobacco	1,551,119	1,458,296	6.4
Tobacco Licenses	6,225	5,500	13.2
<b>Total</b>	<b>\$86,285,163</b>	<b>\$89,464,079</b>	<b>(3.6)</b>

\*In July, 1999, \$380,000 of Cigarette and Tobacco tax collections was allocated for administrative expenses and is not reflected in fiscal year collections.

### **General Fund revenues from luxury taxes:**

	<b>November 1999</b>	<b>FY (99/00)</b>
Spirituos	\$1,264,626	\$5,278,670
Vinous	268,731	840,533
Malt	429,647	2,176,214
Cigarette	3,445,571	17,655,029
Other Tobacco	45,244	240,423
Tobacco Licenses	125	6,225
<b>Total</b>	<b>\$5,453,944</b>	<b>\$26,197,094</b>

### **Other dedicated revenues from luxury taxes:**

	<b>November 1999</b>	<b>FY (99/00)</b>
Correction Fund revenues	\$2,234,019	\$9,988,988
Health Care Fund revenues	8,914,353	46,322,905
Wine Promotional Fund revenues	1,602	5,332
Drug Treatment & Education Fund revenues	629,295	2,699,926
Corrections Revolving Fund revenues	249,744	1,070,918

**Estate Tax**

	November 1999	\$5,575,243	Fiscal year To Date	\$28,578,578
	November 1998	<u>\$7,770,314</u>	Fiscal year To Date	<u>\$28,272,222</u>
% Change		(28.2%)	% Change	1.1%

**Private Car**

	November 1999	\$35,783	Fiscal year To Date	\$1,461,999
	November 1998	<u>\$0</u>	Fiscal year To Date	<u>\$0</u>
% Change		N/A	% Change	N/A

**Bingo**

	November 1999	\$58,269	Fiscal year To Date	\$277,015
	November 1998	<u>\$35,661</u>	Fiscal year To Date	<u>\$297,103</u>
% Change		63.4%	% Change	(6.8%)

**Unclaimed Property**

	November 1999	\$9,858,547	Fiscal year To Date	\$15,031,774
	November 1998	<u>\$7,191,733</u>	Fiscal year To Date	<u>\$10,389,070</u>
% Change		37.1%	% Change	44.7%

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

**TABLE 1**

**“New Returns Filed in 1999 for Tax Year 1998  
November 1999**

Federal Adjusted Gross Income Bracket	Number of Returns	% of total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	1,176	0.7%	(\$39,519)	\$2	26.0%	62.9%	5.4%	5.7%	15.8%	17.0%
<b>\$0-\$5,000</b>	<b>36,168</b>	<b>20.2%</b>	<b>\$2,716</b>	<b>\$4</b>	<b>4.7%</b>	<b>78.9%</b>	<b>14.6%</b>	<b>1.8%</b>	<b>4.0%</b>	<b>19.7%</b>
\$5,000-\$10,000	41,231	23.0%	\$7,466	\$26	9.1%	60.6%	27.8%	2.4%	7.2%	36.8%
<b>\$10,000-\$15,000</b>	<b>28,536</b>	<b>15.9%</b>	<b>\$12,398</b>	<b>\$68</b>	<b>19.6%</b>	<b>38.5%</b>	<b>38.7%</b>	<b>3.3%</b>	<b>11.2%</b>	<b>53.2%</b>
\$15,000-\$20,000	20,221	11.3%	\$17,312	\$140	28.3%	31.8%	35.6%	4.3%	12.4%	54.7%
<b>\$20,000-\$25,000</b>	<b>12,904</b>	<b>7.2%</b>	<b>\$22,325</b>	<b>\$263</b>	<b>31.4%</b>	<b>33.4%</b>	<b>30.0%</b>	<b>5.3%</b>	<b>10.0%</b>	<b>53.0%</b>
\$25,000-\$30,000	9,073	5.1%	\$27,364	\$411	33.4%	38.7%	22.5%	5.3%	9.4%	46.7%
<b>\$30,000-\$40,000</b>	<b>11,037</b>	<b>6.2%</b>	<b>\$34,495</b>	<b>\$586</b>	<b>40.8%</b>	<b>36.6%</b>	<b>17.8%</b>	<b>4.8%</b>	<b>10.7%</b>	<b>45.3%</b>
\$40,000-\$50,000	6,378	3.6%	\$44,167	\$828	50.5%	31.3%	14.6%	3.5%	13.4%	47.3%
<b>\$50,000-\$75,000</b>	<b>7,492</b>	<b>4.2%</b>	<b>\$60,144</b>	<b>\$1,220</b>	<b>61.6%</b>	<b>25.6%</b>	<b>10.3%</b>	<b>2.4%</b>	<b>16.4%</b>	<b>45.9%</b>
\$75,000-\$100,000	2,552	1.4%	\$85,233	\$1,916	68.2%	21.9%	7.7%	2.3%	20.1%	45.6%
<b>\$100,000-\$200,000</b>	<b>1,988</b>	<b>1.1%</b>	<b>\$130,220</b>	<b>\$3,449</b>	<b>68.6%</b>	<b>21.6%</b>	<b>7.7%</b>	<b>2.2%</b>	<b>24.5%</b>	<b>44.4%</b>
\$200,000-\$500,000	438	0.2%	\$290,507	\$9,615	62.0%	28.2%	6.0%	3.8%	25.8%	37.8%
<b>\$500,000-\$1,000,000</b>	<b>79</b>	<b>0.0%</b>	<b>\$683,569</b>	<b>\$25,597</b>	<b>62.2%</b>	<b>28.0%</b>	<b>7.3%</b>	<b>2.4%</b>	<b>29.3%</b>	<b>35.4%</b>
\$1,000,000 and over	65	0.0%	\$2,627,833	\$102,041	50.0%	25.8%	9.1%	15.2%	13.6%	25.8%
<b>Total</b>	<b>179,338</b>		<b>\$19,762</b>	<b>\$327</b>	<b>22.4%</b>	<b>49.3%</b>	<b>25.1%</b>	<b>3.2%</b>	<b>9.4%</b>	<b>41.1%</b>

An asterisked line indicates that the information cannot be released due to confidentiality laws.

**NEW RETURNS FILED IN 1998 FOR TAX YEAR 1997\***

<b>Total</b>	<b>218,569</b>	<b>\$17,161</b>	<b>\$280</b>	<b>19.7%</b>	<b>58.9%</b>	<b>18.4%</b>	<b>3.1%</b>	<b>8.0%</b>	<b>31.7%</b>
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"NEW" Returns means that there was no return filed by the taxpayer in the previous filing year.

This may or may not mean the filer is new to the state.

**TABLE 2**

**Urban Revenue Sharing Returned to Cities/Towns  
November 1999**

<b>City</b>	<b>Distribution</b>	<b>Population</b>	<b>City</b>	<b>Distribution</b>	<b>Population</b>
<b><u>Apache County</u></b>			Scottsdale	\$1,552,794	168,176
Eagar	\$41,688	4,515	Surprise	99,136	10,737
Springerville	17,728	1,920	Tempe	1,420,252	153,821
St. Johns	31,023	3,360	Tolleson	40,958	4,436
<b><u>Cochise County</u></b>			Wickenburg	43,996	4,765
Benson	\$37,994	4,115	Youngtown	24,874	2,694
Bisbee	60,015	6,500	<b><u>Mohave County</u></b>		
Douglas	136,466	14,780	Bullhead City	\$248,741	26,940
Huachuca City	17,912	1,940	Colorado City	29,454	3,190
Sierra Vista	349,152	37,815	Kingman	154,831	16,769
Tombstone	12,973	1,405	Lake Havasu City	335,025	36,285
Willcox	32,621	3,533	<b><u>Navajo County</u></b>		
<b><u>Coconino County</u></b>			Holbrook	\$46,812	5,070
Flagstaff	\$503,022	54,480	Pinetop-Lakeside	30,479	3,301
Fredonia	11,541	1,250	Show Low	64,521	6,988
Page	73,404	7,950	Snowflake	38,041	4,120
Williams	24,837	2,690	Taylor	24,514	2,655
<b><u>Gila County</u></b>			Winslow	99,533	10,780
Globe	\$65,168	7,058	<b><u>Pima County</u></b>		
Hayden	8,402	910	Marana	\$56,451	6,114
Miami	18,836	2,040	Oro Valley	181,496	19,657
Payson	101,602	11,004	Sahuarita	21,338	2,311
Winkelman	6,242	676	South Tucson	50,339	5,452
<b><u>Graham County</u></b>			Tucson	4,100,792	444,138
Pima	\$17,081	1,850	<b><u>Pinal County</u></b>		
Safford	81,002	8,773	Apache Junction	\$180,277	19,525
Thatcher	36,536	3,957	Casa Grande	192,788	20,880
<b><u>Greenlee County</u></b>			Coolidge	65,140	7,055
Clifton	\$27,653	2,995	Eloy	82,314	8,915
Duncan	6,786	735	Florence	105,166	11,390
<b><u>La Paz County</u></b>			Kearny	22,667	2,455
Parker	\$27,238	2,950	Mammoth	18,097	1,960
Quartzsite	18,512	2,005	Superior	32,178	3,485
<b><u>Maricopa County</u></b>			<b><u>Santa Cruz County</u></b>		
Avondale	\$210,248	22,771	Nogales	\$190,711	20,655
Buckeye	44,845	4,857	Patagonia	8,725	945
Carefree	21,107	2,286	<b><u>Yavapai County</u></b>		
Cave Creek	28,401	3,076	Camp Verde	\$68,925	7,465
Chandler	1,222,100	132,360	Chino Valley	57,966	6,278
El Mirage	53,008	5,741	Clarkdale	24,006	2,600
Fountain Hills	130,612	14,146	Cottonwood	60,431	6,545
Gila Bend	16,130	1,747	Jerome	4,247	460
Gilbert	547,877	59,338	Prescott	287,022	31,086
Glendale	1,686,112	182,615	Prescott Valley	148,127	16,043
Goodyear	85,407	9,250	Sedona	82,120	8,894
Guadalupe	50,395	5,458	<b><u>Yuma County</u></b>		
Litchfield Park	34,523	3,739	San Luis	\$74,105	8,026
Mesa	3,121,885	338,117	Somerton	53,774	5,824
Paradise Valley	114,934	12,448	Wellton	10,397	1,126
Peoria	688,470	74,565	Yuma	579,768	62,792
Phoenix	10,612,738	1,149,417			

Queen Creek	28,364	3,072	<b>TOTAL</b>	\$31,475,916	3,409,012
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**TABLE 3**

**Transaction Privilege and Severance Tax Returned to Cities/Towns  
November 1999**

City	Distribution	Population	City	Distribution	Population
<b><u>Apache County</u></b>			Scottsdale	\$1,210,863	168,176
Eagar	\$32,508	4,515	Surprise	77,306	10,737
Springerville	13,824	1,920	Tempe	1,107,507	153,821
St. Johns	24,192	3,360	Tolleson	31,939	4,436
<b><u>Cochise County</u></b>			Wickenburg	34,308	4,765
Benson	\$29,628	4,115	Youngtown	19,397	2,694
Bisbee	46,800	6,500	<b><u>Mohave County</u></b>		
Douglas	106,416	14,780	Bullhead City	\$193,967	26,940
Huachuca City	13,968	1,940	Colorado City	22,968	3,190
Sierra Vista	272,267	37,815	Kingman	120,736	16,769
Tombstone	10,116	1,405	Lake Havasu City	261,251	36,285
Willcox	25,438	3,533	<b><u>Navajo County</u></b>		
<b><u>Coconino County</u></b>			Holbrook	\$36,504	5,070
Flagstaff	\$392,255	54,480	Pinetop/Lakeside	23,767	3,301
Fredonia	9,000	1,250	Show Low	50,313	6,988
Page	57,240	7,950	Snowflake	29,664	4,120
Williams	19,368	2,690	Taylor	19,116	2,655
<b><u>Gila County</u></b>			Winslow	77,616	10,780
Globe	\$50,817	7,058	<b><u>Pima County</u></b>		
Hayden	6,552	910	Marana	\$44,021	6,114
Miami	14,688	2,040	Oro Valley	141,530	19,657
Payson	79,229	11,004	Sahuarita	16,639	2,311
Winkelman	4,867	676	South Tucson	39,254	5,452
<b><u>Graham County</u></b>			Tucson	3,195,515	443,823
Pima	\$13,320	1,850	<b><u>Pinal County</u></b>		
Safford	63,165	8,773	Apache Junction	\$140,580	19,525
Thatcher	28,490	3,957	Casa Grande	150,335	20,880
<b><u>Greenlee County</u></b>			Coolidge	50,796	7,055
Clifton	\$21,564	2,995	Eloy	64,188	8,915
Duncan	5,292	735	Florence	82,008	11,390
<b><u>La Paz County</u></b>			Kearny	17,676	2,455
Parker	\$21,240	2,950	Mammoth	14,112	1,960
Quartzsite	14,436	2,005	Superior	25,092	3,485
<b><u>Maricopa County</u></b>			<b><u>Santa Cruz County</u></b>		
Avondale	\$163,951	22,771	Nogales	\$148,715	20,655
Buckeye	34,970	4,857	Patagonia	6,804	945
Carefree	16,459	2,286	<b><u>Yavapai County</u></b>		
Cave Creek	22,147	3,076	Camp Verde	\$53,748	7,465
Chandler	952,989	132,360	Chino Valley	45,201	6,278
El Mirage	41,335	5,741	Clarkdale	18,720	2,600
Fountain Hills	101,851	14,146	Cottonwood	47,124	6,545
Gila Bend	12,578	1,747	Jerome	3,312	460
Gilbert	427,232	59,338	Prescott	223,818	31,086
Glendale	1,314,824	182,615	Prescott Valley	115,509	16,043
Goodyear	66,600	9,250	Sedona	64,037	8,894
Guadalupe	39,297	5,458	<b><u>Yuma County</u></b>		
Litchfield Park	26,921	3,739	San Luis	\$57,787	8,026
Mesa	2,434,434	338,117	Somerton	41,933	5,824
Paradise Valley	89,625	12,448	Wellton	8,107	1,126
Peoria	536,866	74,565	Yuma	452,101	62,792
Phoenix	8,275,774	1,149,417	<b>TOTAL</b>	<b>\$24,542,535</b>	<b>3,408,697</b>
Queen Creek	22,118	3,072			



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